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Carol E. Shrum, Vice President

Duke Energy Carolinas
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November 25, 2008

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

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COMMISSION
NOV 26 2008

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC
for the twelve months ending September 30, 2008. Please feel free
to call me at (704) 382-9826 or Phil Stillman at (704) 382-8070.

Yours truly,

Carol E. Shrum
Rates & Regulatory Accounting

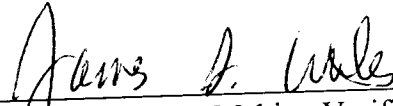
Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Person Making Verification

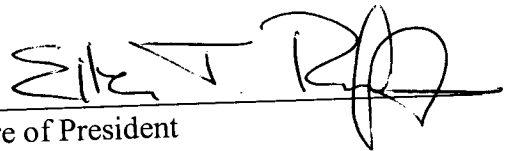
James D. Wiles

Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

11/24/08

Date Signed



Signature of President

Ellen T. Ruff

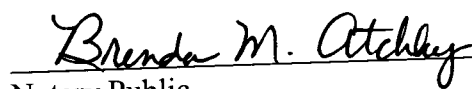
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

11/24/08

Date Signed

Subscribed and sworn to before me this 24th day of November, 2008.


Notary Public

My Commission Expires: December 4, 2009

Duke Energy Carolinas, LLC
 OPERATING INCOME FROM ELECTRIC OPERATIONS
 SC Quarterly for September 30, 2008
 (Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
		<u>\$5,839,726</u>		<u>\$1,352,931</u>	<u>(\$1,296)</u>	<u>\$1,351,635</u>
1	Electric operating revenue					
	Electric operating expenses:					
	Operation and maintenance:	1,592,304		373,423	(1,132)	372,291
2	Fuel used in electric generation	205,624		35,684	32	35,716
3	Purchased power and net interchange	1,563,901		376,412	2,306	378,718
4	Wages, benefits, materials, etc.	788,131		186,281	5,169	191,450
5	Depreciation and amortization	317,948		63,399	3,069	66,468
6	General taxes	3,711		449	0	449
7	Interest on customer deposits	381,458		88,027	(4,662)	83,365
8	Income taxes	(8,169)		(1,930)	9	(1,921)
9	Amortization of investment tax credit	<u>4,844,908</u>		<u>1,121,745</u>	<u>4,791</u>	<u>1,126,536</u>
10	Total electric operating expenses	<u>\$994,818</u>		<u>231,186</u>	<u>(6,087)</u>	<u>225,099</u>
11	Operating income				1,588	1,588
12	Add: Customer growth adjustment			<u>\$231,186</u>	<u>(\$4,499)</u>	<u>\$226,687</u>
13	Income for return			<u>\$2,722,050</u>	<u>\$152,015</u>	<u>\$2,874,065</u>
14	Original cost rate base (b)					
15	Rate of return on South Carolina retail rate base			<u>8.49%</u>		<u>7.89%</u>

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

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Duke Energy Carolinas, LLC
CALCULATION OF RATE OF RETURN
SC Quarterly for September 30, 2008
(Thousands of Dollars)

Line No.	Description	South Carolina Retail					
		Total Company Capitalization September 30, 2008			Per Book Embedded		
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/Return % (Col. 4)	Operating Income (Col. 5)	Pro forma Embedded Cost/Return % (Col. 7)
1	Long-term debt	\$6,233,023	45.00%	\$1,224,923	6.02%	\$73,740	6.02%
2	Preferred stock	0	0.00%	0	0.00%	0	0.00%
3	Members' equity	7,618,139	55.00%	1,497,127	10.52%	157,446	9.42%
4	Total	\$13,851,162	100.00%	\$2,722,050 (a)		\$231,186 (b)	(e) (f)
							\$226,887 (d)

Notes:

- (a) From Page 4, Line 11, Column 2.
(b) From Page 1, Line 13, Column 2.
(c) From Page 4, Line 11, Column 4.
(d) From Page 1, Line 13, Column 4.
(e) If adjusted for weather, this rate would be 9.03%.
(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$98 million for the 12 mos ended 09/30/08.
A net of tax South Carolina Retail allocation of profits would amount to approximately \$15 million.

Duke Energy Carolinas, LLC
 DETAIL OF ACCOUNTING ADJS - SOUTH CAROLINA RETAIL
 SC Quarterly for September 30, 2008
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$878			(\$342)		(\$536)
2	To annualize wage rate increases			\$3,677			\$711		(1,711)		(2,677)
3	To annualize property taxes on year end plant						1,657		(646)		(1,011)
4	To reflect CWIP closings to plant					5,014	936		(2,320)		(3,630)
5	To adjust income taxes to reflect interest synchronization								(500)		500
6	To exclude Greenwood operations	(1,296)	(\$1,132)	\$32	(1,371)	(723)	(235)	\$0	857	\$9	1,267
7	Total adjustments	(\$1,296)	(\$1,132)	\$32	\$2,306	\$5,169	\$3,069	\$0	(\$4,662)	\$9	(\$5,087)

Duke Energy Carolinas, LLC
ORIGINAL COST RATE BASE - ELECTRIC OPERATIONS
SC Quarterly for September 30, 2008
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
		\$23,988,116		\$5,490,448	\$146,179	\$5,636,627
1	Electric plant in service					
	Less: Accumulated depreciation and amortization	(11,243,372)		(2,433,099)	(5,892)	(2,438,991)
2		12,744,744		3,057,349	140,287	3,197,636
3	Net electric plant			142,128	23,191	165,319
4	Add: Materials and supplies	578,926		173,506	0	173,506
5	Working capital investment	771,770				
6	Plant held for future use	3,360	43.3664%	1,457	0	1,457
		(1,904,675)		(534,485)	0	(534,485)
7	Less: Accumulated deferred taxes	(442,906)		(104,310)	0	(104,310)
8	Operating reserves	(63,517)		(13,595)	0	(13,595)
9	Customer deposits				(11,463)	(11,463)
10	Greenwood					
		\$11,687,702		\$2,722,050	\$152,015	\$2,874,065
11	Total original cost rate base					

Duke Energy Carolinas, LLC
ELECTRIC PLANT IN SERVICE AT ORIGINAL COST
SC Quarterly for September 30, 2008
(Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
		\$11,977,964		\$2,560,693	\$104,790	\$2,665,483
1	Production					
		2,289,901	18.6500%	427,067	14,647	441,714
2	Transmission					
		7,985,275	25.8365%	2,063,116	17,194	2,080,310
3	Distribution (b)					
		591,904	24.3931%	144,384	9,446	153,830
4	General					
		289,853	24.2548%	70,303	102	70,405
5	Intangible					
		23,134,897		5,265,563	146,179	5,411,742
6	Subtotal					
		853,219	26.3572%	224,885		224,885
7	Nuclear fuel					
		\$23,988,116 (a)		\$5,490,448	\$146,179	\$5,636,627
8	Total electric plant in service					

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$3,360
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Duke Energy Carolinas, LLC
 ACCUM DEPR AND AMORT- ELECTRIC PLANT IN SVC
 SC Quarterly for September 30, 2008
 (Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
		\$5,954,616		\$1,093,694	\$2,499	\$1,096,193
1	Production					
		1,075,372	18.5430%	199,406	718	200,124
2	Transmission					
		3,361,043		920,809	1,701	922,510
3	Distribution					
		95,315	24.3481%	23,207	954	24,161
4	General					
		227,016	24.7945%	56,287	20	56,307
5	Intangible					
		10,713,362		2,293,403	5,892	2,299,295
6	Subtotal					
		530,010	26.3572%	139,696		139,696
7	Nuclear fuel					
		\$11,243,372 (a)		\$2,433,099	\$5,892	\$2,438,991
8	Total accum depreciation and amortization					

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$167

Duke Energy Carolinas, LLC
 MATERIALS AND SUPPLIES
 SC Quarterly for September 30, 2008
 (Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
				(a) & (b)		
	Fuel stock:					
		\$158,147	26.3572%	\$41,683	\$22,558	\$64,241
1	Coal	34,209	26.3572%	9,017	633	9,650
2	Oil	192,356		50,700	23,191	73,891
3	Total fuel stock					
4	Other electric materials and supplies and stores clearing	386,570	23.6510%	91,428	0	91,428
5	Total materials and supplies	\$578,926		\$142,128	\$23,191	\$165,319

Notes: (a) Adjustment to per book coal inventory balance
to reflect target inventory level.

	2,867,440			
Coal inventory target level (in tons)	\$85.00			
Price per ton - coal				
	\$243,732	26.3572%	\$64,241	
Total company pro forma inventory			41,683	
Per book coal inventory			\$22,558	
Coal adjustment				

(b) Adjustment to per book oil inventory balance
to reflect target inventory level.

	21,042,000			
Oil inventory target level (in gallons)	\$1.74			
Price per gallon - oil				
	\$36,613	26.3572%	\$9,650	
Total company pro forma inventory			9,017	
Per book oil inventory			\$633	
Oil adjustment				

Duke Energy Carolinas, LLC
 WORKING CAPITAL INVESTMENT
 SC Quarterly for September 30, 2008
 (Thousands of Dollars)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$3,019,786</u>		<u>\$713,779</u>		<u>\$713,779</u>
		\$377,473		\$89,222		\$89,222
2	1/8 of O&M expenses on line 1	<u>(95,408)</u>		<u>(27,389)</u>		<u>(27,389)</u>
3	Less: Average taxes accrued	282,065		61,833	\$0	61,833
4	Subtotal	392	23.5513%	92		92
5	Required bank balances	95,607		15,069		15,069
6	Bond reacquisition premiums	393,706	24.5137%	96,512		96,512
7	Prepayments	<u>\$771,770</u>		<u>\$173,506</u>	\$0	<u>\$173,506</u>
8	Total working capital investment					

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$1,744,516	24.4189%	\$425,992	\$0	\$425,992
2	Transmission	70,524	18.6500%	13,153	0	13,153
3	Distribution	130,910	25.8365%	33,823	0	33,823
4	General	35,838	24.3931%	8,742	0	8,742
5	Intangible	<u>164,886</u>	24.2548%	<u>39,993</u>	<u>0</u>	<u>39,993</u>
6	Total construction work in progress	<u>\$2,146,674</u>		<u>\$521,703</u>	<u>\$0</u>	<u>\$521,703</u>

Line No.	Description	
	12 Months Ended September 30, 2008	
1	SEC Fixed Charges Coverage	3.86
2	Earnings per Share	\$1.03

Line No.	Item	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$2,197,603			\$1,692,512	77.0163%	\$505,090	22.9837%
2	Commercial	\$1,789,724			\$1,403,299	78.4087%	\$386,425	21.5913%
3	Industrial	\$1,081,845			\$664,008	61.3773%	\$417,837	38.6227%
4	Public Street & Hghwy Lighting	\$34,011			\$29,164	85.7497%	\$4,847	14.2503%
5	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
6	Sales for Resale:							
7	Special Contract	\$443,710	\$273,961	61.7432%	\$167,579	37.7678%	\$2,170	0.4890%
8	Other	\$77,820	\$77,820	100.0000%	\$0		\$0	
9	Total Rev from Sales of Electricity	\$5,624,712	\$351,781	6.2542%	\$3,956,562	70.3425%	\$1,316,369	23.4033%
<u>Kilowatthour Sales (000s)</u>								
10	Residential	27,095,665			20,619,978	76.1007%	6,475,687	23.8993%
11	Commercial	27,404,896			21,585,607	78.7655%	5,819,289	21.2345%
12	Industrial	23,283,601			13,861,704	59.5342%	9,421,897	40.4658%
13	Public Street & Hghwy Lighting	282,461			240,356	85.0935%	42,105	14.9065%
14	Interdepartmental	0			0	0.0000%	0	0.0000%
15	Sales for Resale:							
16	Special Contract	7,255,546	4,479,810	61.7432%	2,740,259	37.7678%	35,477	0.4890%
17	Other	1,773,991	1,773,991	100.0000%				
18	Total KWH Sales	87,096,160	6,253,801	7.1803%	59,047,904	67.7962%	21,794,455	25.0234%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	8.11			8.21		7.80	
20	Commercial	6.53			6.50		6.64	
21	Industrial	4.65			4.79		4.43	
22	Public Street & Hghwy Lighting	12.04			12.13		11.51	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	6.12	6.12		6.12		6.12	
26	Other	4.39	4.39					
27	Total Revenue per KWH Sold	6.46	5.63		6.70		6.04	